Document 58

Filed 08/13/2007

Page 1 of 27

Central District of California

Case 3:07-mc-80123-MMC

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 10, 2007, Angeles Chemical Company Inc., Greve Financial Services Inc., and John Locke (collectively "Angeles") filed their response to Squire, Sanders & Dempsey's ("SSD") Notice of Stay. That response referenced certain documents as Exhibits A-C. Unfortunately, the response inadvertently omitted Exhibits A-C. Angeles respectfully requests this Court incorporate Exhibits A-C which are attached hereto.

DATED: August 13, 2007

Caufield & James, LLP

Jeffery L. Caufield, Esq.

Attorney for Plaintiffs/Counter-defendants

EXHIBIT A

JOINT STIPULATION FOR LITIGATION STAY AND CONTINUANCE OF DEADLINES

I. INTRODUCTION

Pursuant to Federal Rules of Civil Procedure Rule 16 (b) and Local Rule 7-19 of the United States District Court, Central District of California, all the parties to this litigation, including Plaintiffs/Counter-Defendants Angeles Chemical Company, Inc., John Locke, Greve Financial Services (collectively "Angeles"), Cross-Defendant, Cross-Complainant Robert Berg, Donna Berg, Pearl Rosenthal, and the Estate of Arnold Rosenthal (hereinafter "Berg Parties"), and Defendants and Counter Claimants/Counter-defendants McKesson, Harvey Sorkin, Estate of Paul Maslin, Seymour Moslin (hereinafter collectively, "McKesson") hereby submit this Joint Stipulated Application for Ex Parte Motion for litigation stay and continuance of all Scheduling Order deadlines that have not already passed as of the date of this stipulation, except as specifically set forth herein, for a period of forty-five (45) days.

II. GOOD CAUSE EXISTS FOR LITIGATION STAY AND CONTINUANCE OF CERTAIN SCHEDULING ORDER DEADLINES FOR FORTY FIVE (45) DAYS TO ALLOW FOR SETTLEMENT NEGOTIATIONS.

In June 2003 and March 2004, the parties engaged in two mediations before the Honorable Justice Irving (ret.) in San Diego, California. Beginning in the fall of 2004 through mid-2005, the parties entered into further settlement negotiations. Recently, Angeles and McKesson have agreed to renew settlement negotiations, which have resulted in an exchange of proposals and ideas to establish a process and procedure which will allow the parties to engage in meaningful settlement discussions. The parties have committed to conducting several face-to-face settlement meetings over the next 45 days in order to attempt to resolve their differences and effectuate a global settlement. In order to reduce the costs and expenses incurred by the parties and facilitate the settlement negotiations, the parties have agreed to a litigation standstill during this forty-five (45) day time

period, which would entail (1) continuing expert disclosures and all scheduling

order deadlines which have not yet passed as set forth below, (2) a hold on the

filing of any additional motions with either the District Judge and/or the Magistrate

Judge whose deadline to file has not already passed as of the date this Order is

signed by the Court, (3) continuing the hearing dates and briefing schedule for

currently filed motions as set forth below, and (4) stipulating to request Magistrate

Judge Eick and/or Judge Hatter to stay any ruling granting in whole or in part the

1 2 3 4 5 6 7 8 currently pending discovery motion re the 8th Set of Requests for Production of 9 Documents, set for hearing on August 17, 2007, for forty-five (45) days to allow for 10 settlement discussions should any such Order be issued.

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III. BACKGROUND

The underlying case involves claims surrounding the contamination of soil and groundwater at and under and surrounding property located in Santa Fe The underlying soil and groundwater contamination was Springs, California. allegedly caused by the operation of two neighboring chemical distribution facilities beginning in the mid-1970s. During the course of the litigation, over 100 depositions have been taken and over 2,000,000 pages of documents produced between the parties and third parties. As discussed supra, significant prior efforts have been undertaken to resolve the issues between the parties. The parties now need time to pursue settlement discussions.

IV. LEGAL ANALYSIS

Scheduling orders entered before the final pretrial conference may be modified upon a showing of "good cause." Hannon v. Chater, 887 F.Supp. 1303 (N.D.Cal. 1995); FRCP 16. The reason for the "good cause" requirement for modification of a court's scheduling order is that such orders and their enforcement are regarded as an essential mechanism for cases becoming trial-ready in an efficient, just, and certain manner. Rouse v. Farmers State Bank of Jewell, Iowa, 866 F.Supp. 1191 (N.D.Iowa 1994).

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The terms of the stay and continuance, as stipulated among all the parties to this litigation herein, are as follows:

- 1. The litigation shall be stayed beginning August 7, 2007 through September 20, 2007 (the "stay period") as follows:
- a.) The deadlines for fact discovery and fact discovery motions have passed and are not impacted by the within stipulation. All remaining discovery shall be stayed as set forth herein. Plaintiffs will take no further legal action in their proceedings against SSD, and Thelen, Reid pending in the United States District Court, Northern District of California, and Univar pending in the Western District of Washington, during the stay period. However, this agreement is without prejudice to the parties' right to seek further relief on these matters or others by ex parte motion after the termination of this agreement at the conclusion of the stay period.
- The dispositive motion deadline has passed and is not impacted by the within b.) stipulation. The hearing date on McKesson's Motion for Summary Adjudication filed against the Berg parties on August 3, 2007, which is currently set for August 27, 2007, shall be continued to October 15, 2007 and the hearing date on Angeles' Motion for Summary Adjudication filed against McKesson on August 6, 2007, which is currently set for September 17, 2007, shall be continued to November 5, 2007. The hearing dates for the five Motions to Review currently set for hearing on August 27, 2007 shall be continued to October 15, 2007. The deadline for filing any Motion to Review remains unchanged; however, any Motion for Review filed on or after the date of this stipulation shall be set for hearing on October 29, 2007. The continuances of the above referenced hearing dates are to reduce the costs incurred in briefing associated with the subject motions during the forty-five (45) day litigation stay. The litigation stay shall also stay the filing of any other motions with the Court for pre-trial purposes inclusive of motions in limine. However, this agreement is without prejudice to the parties' right to seek further relief on these matters or others by ex parte motion or otherwise after the termination of this

- c.) In the event that Magistrate Judge Eick grants, in whole or in part, Plaintiffs' Motion to Compel further responses to Angeles' Requests for the Production of Documents, Set No. 8, set for hearing on August 17, 2007, the parties agree to stipulate to jointly seeking a stay of that Order from Magistrate Judge Eick and/or Judge Hatter for the stay period to reduce litigation costs and allow the parties to focus their efforts on settlement negotiations.
- d.) In order to facilitate negotiations, the parties shall exchange all of their FRCP Rule 26 expert reports on August 15, 2007 as documents exchanged for settlement purposes only. In the absence of a court order or validly issued subpoena, the reports disclosed on August 15, 2007 shall not otherwise be disclosed to any third-parties, with the exception that the reports may be disclosed to clients, counsel, consultants and experts. In the event that the parties cannot reach a settlement during the forty-five (45) day stay, the reports disclosed on August 15, 2007 shall remain the parties' FRCP Rule 26 expert reports, transmitted for purposes of trial on September 21, 2007 and expert discovery can commence beginning September 21, 2007.
- e.) The June 11, 2007 discovery cut off, and the August 6, 2007 discovery motion and dispositive motion cut offs will remain unchanged.
- f.) All pre-trial dates beginning with the expert discovery cut off and all pre-trial dates subsequent thereto in the current case management order shall be continued for forty-five (45) days.

JOINT STIPULATION FOR LITIGATION STAY AND CONTINUANCE OF DEADLINES

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Case 3:07-mc-80123-MMC Case 3:06-mc-80343-MMC

Bingham & McCutchen Dated: August 7, 2007 Nancy M. Wilms, Esq. Attorneys for Defendants and Counter-Claimants McKesson Corporation, Harvey Sorkin, Seymour Moslin and the Estate of Paul Maslin Dated: August 7, 2007 The Law Offices Of John Edgcomb John Edgcomb, Esq. Attorneys for Defendants and Counter-Claimants McKesson Corporation, Harvey Sorkin, Seymour Moslin and the Estate of Paul Maslin

Bocument 58-2 Filed 08/13/2007 Page 19 8f 87

2	that good cause exists for the s	tipulations set forth above.
3	6	
4	It is so Ordered.	
5		
6	August 7, 2007	TERRY J. HATTER, JR.
7		Hon. Judge Terrymee Hatter Jr.
8		- /
9	So Stipulated:	
10	DATED: August 7, 2007	THE LAW OFFICES OF TIMOTHY
11		C. CRONIN, ESQ.
12		Ву
13		/
14		Chris C. Chapman, Esq.
15		. Attorneys Counter-Defendants,
16		Counter-Claimants, and Cross- Complainants Robert Berg, Donna
17		Berg, Pearl Rosenthal, and the Estate
18		of Arnold Rosenthal
19	T 1 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	
20	DATED: August 7, 2007	CAUFIELD & JAMES LLP
21		
22		By /
23		Attorneys for Plaintiff, Counter-
24		Defendants, Cross-Defendants Angeles Chemical Company, Inc.,
25		John Locke and Greve Financial
26		Services, Inc.
27	•	
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EXHIBIT B

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Case 3:07-mc-80123-MMC

an individual; JANYCE LOCKE, an individual; PEARL ROSENTHAL and the Estate of ARNOLD ROSENTHAL, as individuals and as Trustees of the Rosenthal Family Trust; DONNA BERG, an individual; ROBERT BERG, an individual; and NORMAN M. SPIELER, as Trustee of the Cynthia Pacheco 1993 BETA Trust and the Robert O. Berg, Jr. 1993 BETA Trust,

Counter-Defendants.

AND RELATED CROSS-CLAIMS

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The parties to this matter, by and through their undersigned counsel, stipulate to the following agreement regarding a continuance of the hearing dates and establishment of pre-trial dates identified below pursuant to the Court's approval of a litigation stay for forty-five (45) days, beginning August 7, 2007 through September 20, 2007.

I. Good Cause Exists for a Continuance of Scheduling Orders

Scheduling orders entered before the final pretrial conference may be modified upon a showing of "good cause." Hannon v. Chater, 887 F.Supp. 1303 (N.D.Cal. 1995); FRCP 16. The reason for the "good cause" requirement for modification of a court's scheduling order is that such orders and their enforcement are regarded as an essential mechanism for cases becoming trial-ready in an efficient, just, and certain manner. Rouse v. Farmers State Bank of Jewell, Iowa, 866 F.Supp. 1191 (N.D.Iowa 1994). Good cause to continue the hearing dates and establish the pre-trial dates pursuant to the Court's August 7, 2007 Order exists here.

II. This Court Has Approved All Parties' Request for a Litigation Stay of 45 Days

A. Continued Hearing Dates

On August 7, 2007, this Court approved all parties' Joint Stipulation for a Litigation Stay and Motion for Continuance of all Scheduling Orders for forty-

STIPULATION AND [PROPOSED] ORDER RE HEARING DATES

five (45) days, beginning August 7, 2007 through September 20, 2007. That Joint Stipulation did not specifically identify five (5) pending Motions for Review with hearing dates of August 27, 2007, and omitted Angeles' Motion for Review of Magistrate Eick's July 23, 2007 Order re "Retake" Depositions and Angeles' Motion for Review of Magistrate Eick's July 23, 2007 Order re "Additional" Depositions, both filed on August 6, 2007. A continuance of the referenced hearing dates will reduce the costs incurred in briefing associated with the subject motions during the forty-five (45) day litigation stay, and is in keeping with this Court's approval of the August 7, 2007 Joint Stipulation continuing all additional hearing dates. Below is a complete list stipulated to by the parties of all Motions for which briefing needs to be completed and their respective hearing dates, as outlined in the parties' August 7, 2007 Joint Stipulation, as well as the hearing dates for the Motions that were inadvertently omitted from that Joint Stipulation.

Motion on Calendar	Old Hearing Date	New Hearing	
		Date	
McKesson's Motion to Dismiss the	August 27, 2007	October 15, 2007	
Bergs and Rosenthals' Requests for			
Injunctive Relief Based on			
CERCLA section 113(h)			
Angeles' Motion for Review of	August 27, 2007	October 15, 2007	
Magistrate's Order re: Privileged			
Documents			
Angeles' Motion for Review of	August 27, 2007	October 15, 2007	
Magistrate's Order re:			
Reconsideration of the Court's			
March 6, 2006 Order denying		A service of the serv	
Angeles' Motion to Compel			

Documents Withheld as Privileged		
by McKesson		
Angeles' Motion for Review of	August 27, 2007	October 15, 2007
Court's Order re Reconsideration of	- A COOMMAN	
Production of Lab Testing Data		
McKesson's Motion for Review of	August 27, 2007	October 15, 2007
Court's July 11, 2007 Order		
Denying McKesson's Motion to		
Compel Certain Depositions and the		
Production of Documents by		
Plaintiffs re Rail Spur Excavation		
McKesson's Motion to Review of	August 27, 2007	October 15, 2007
Court's July 17, 2007 Order		
Denying McKesson's Motion to		
Compel Production of Missing		
Documents by Kennedy Entities		
and Motion for Reconsideration of		
the Court's 12/15/06 Order		
Bergs and Rosenthals' MSA for	September 10, 2007	October 22, 2007
Indemnification by Angeles		
Bergs and Rosenthals' MSA	September 10, 2007	October 22, 2007
Against Greve's Claims		
Angeles' Motion for Review of	September 10, 2007	October 29, 2007
Court's Order re Reconsideration of		
"Re-take" Depositions		
Angeles' Motion for Review of	September 10, 2007	October 29, 2007

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"Additional" Depositions Angeles' Motion for Review of September 10, 2007 October 29, 2007 Court's Order re Instructions not to Answer During the Deposition of Dinah Szander Angeles' Motion for Review of September 10, 2007 October 29, 2007 Court's Order re Instructions not to Answer During the Deposition of Ivan Meyerson Angeles and John Locke's MSA of September 17, 2007 November 5, 2007 CERCLA section 107 claims against McKesson and the Sorkin Parties

B. Establishment Of Pre-Trial Schedule After Litigation Stay.

As specified dates were not included in the Court's August 7, 2007 Order, pursuant thereto the parties stipulate to the following pre-trial schedule at the termination of the litigation stay:

DEADLINE/EVENT	OLD DATE	NEW DATE
Expert Witness Discovery	September 10, 2007 (initial expert reports)	October 25, 2007 (initial expert reports)
Expert Rebuttal Reports	October 1, 2007	November 14, 2007
Expert Witness Discovery	October 29, 2007 (rebuttal reports)	December 14, 2007 (rebuttal reports)
Meeting of Counsel (Local Rule 16-2)	November 5, 2007	December 21, 2007
Memorandum of Contentions of Fact and Law: Witness List and Exhibit List	November 19, 2007	January 4, 2008

By
Timothy Cronin, Esq.
Attorneys for Donna Berg,
Robert Berg, Pearl Rosenthal
and the Estate of
Arnold Rosenthal

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1 2	Final Pre-Trial Conference Order	November 19, 2007	January 4, 2008 January 21, 2008 at 10:00 a.m. 21 days before trial	
3	Final Pre-Trial Conference	December 3, 2007 at 10:00 a.m.		
5 6 7	Trial Brief, incl. In limine motions, jury instructions and verdict forms and disputes re: same	21 days before trial		
8	Oppositions to in limine motions	14 days before trial		
9 10 1	Hearing on in limine motions, disputed jury instructions and verdict forms; lodge proposed voir dire questions	7 days before trial	7 days before trial	
3	Trial Date	To be determined by the Court at the Final Pre-Trial Conference	To be determined by the Court at the Final Pre-Trial Conference	
5		Respectfull	y submitted,	
6 7	DATED: August 9, 2007	Caufield &	James, LLP	
8 9 9 1		Attorneys f Defendants Chemical C	Caufield, Esq. For Plaintiff, Counter- s, Cross-Defendants Angeles Company, Inc., John Locke Financial Services, Inc.	
3	Dated: August 9, 2007	Law Offices of Timothy C. Cronin		
26 27 28	By/// Timethy Cronin, Esq. Attorneys for Donna Berg, Robert Berg, Pearl Rosenthal and the Estate of Arnold Rosenthal			

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Case 3:07-mc-80123-MMC

UNITED STATES DISTRICT CENTRAL DISTRICT OF CA	FOR COURT USE ONLY	
Angeles Chemical, et al. v. McKesson (Corporation, et al.	
Jeffery L. Caufield (SBN 166524) Kenneth E. James (SBN 173775) CAUFIELD & JAMES, LLP 2851 Camino Del Rio South, Suite 250 San Diego, CA 92108	Tel: (619) 325-0441 Fax: (619) 325-0231	
Attorney(s) for: Plaintiffs, Greve Financial Services, Inc., Angeles Chemical Company, Inc., and John Locke	Date: Time: Dept.:	Case Number: CV01-10532 TJH (Ex)

PROOF OF SERVICE

I, the undersigned, declare: I am employed in the County of San Diego, State of California. I am over the age of 18 years and not a party to this action. My business address is 2851 Camino Del Rio South, Suite 250, San Diego, California 92108. I served a copy of the following document(s):

STIPULATION AND [PROPOSED] ORDER CLARIFYING ALL HEARING DATES AND PRE-TRIAL DATES PURSUANT TO THE AUGUST 7, 2007 JOINT STIPULATION AND ORDER FOR 45-DAY LITIGATION STAY AND CONTINUANCE OF DEADLINES

[(BY MAIL) I caused each such envelope to be sealed and placed for collection and mailing from my
business address. I am readily familiar with Caufield & James' practice for collection and processing of
correspondence for mailing, said practice being that in the ordinary course of business mail is deposited with
the postage thereon fully prepaid in the United States Postal Service the same day as it is placed for
collection. I am aware that upon motion of the party served, service is presumed invalid if the postal
cancellation date or postage meter date on the envelope is more than one day after the date of deposit for
mailing contained in this affidavit.
(DV OVERNICUE MAIL) I am need its familiar with the massics of Costield & James for the collection

- (BY OVERNIGHT MAIL) I am readily familiar with the practice of Caufield & James for the collection and processing of correspondence for overnight delivery and know that the document(s) described herein will be deposited in a box or other facility regularly maintained for overnight delivery.
- ⊠ (BY FACSIMILE) This document was transmitted by facsimile transmission from (619) 325-0231 and the transmission was reported as complete and without error. I then caused the transmitting facsimile machine to properly issue a transmission report confirming the transmission.
- ⊠ (BY ELECTRONIC TRANSMISSION) This document was transmitted by electronic transmission from amber@caufieldjames.com and the transmission was reported as complete and without error. I then caused the transmitting e-mail account to properly issue a report confirming the electronic transmission.

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 9, 2007, at San Diego, California.

Amber Hinojosa

Angeles Chemical, et al. v. McKesson Corporation, et al. CV 01-10532 TJH (Ex)

SERVICE LIST

Counsel for McKesson Corporation, Harvey Sorkin, Seymour Moslin and the Estate of Paul Maslin:

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nuribe@edgcc

Nancy M. Wilms, Esq. Jill Cooper Teraoka, Esq. Bingham McCutchen LLP 355 South Grand Avenue, Suite 4400 Los Angeles, CA 90071-3106 Tel: 213-680-6400; Fax: 213-680-6499

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Aug-9-2007

13:00



Fax Call Report

Job	Date	Time	Type	Identification	Duration	Pages	Result
886	8/ 9/2007	12:46:43	Send	12136806499	1:55	7	OK
887	8/ 9/2007	12:48:43	Send	14153991885	3:20	7	OK
888	8/ 9/2007	12:52:08	Send	17145053792	8:35	7	0K

CAUFIELD & $JAMES_{\text{LSP}}$

FACSIMILE COVER SHEET

DATE:	August 9, 2007	12.64	., ., ., .,
FROM:	Jeffery Caufield		
то:	Jill Teraoka Nancy Wilms John D. Edgcomb Timothy Cronin	(213) 680-6499 (415) 399-1885 (714) 505-3792	
cc:			
REGARDING:	Angeles v. McKesson		
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EXHIBIT C

CAUFIELD & JAMES LLP

ATTORNEYS AT LAW

Writer's Direct: (619) 325-0441 (phone) (619) 325-0231 (fax) jeff@caufieldjames.com

August 10, 2007

Via Facsimile & Email

Diane L. Gibson Squire, Sanders & Dempsey LLP One Maritime Plaza, Suite 300 San Francisco, California 94111-3492

Re: SSD's Noncompliance with Judge Laporte's Outstanding Orders and

SSD's Improper Decision Not to Supplement its Production

Dear Ms. Gibson:

We are in receipt of your letter sent August 9, 2007. SSD's unilateral decision not to comply with Judge Laporte's March 22, 2007 Order is not supported by the Stay and Continuance filed with the Central District. Accordingly, we request that you immediately comply with Judge Laporte's Orders. By failing to comply, you are in contempt of court. Angeles is thus prepared to file a motion seeking compliance with Judge Laporte's Orders and sanctions immediately after the stay has passed.

First, the Stipulation for Litigation Stay filed by the parties to this action is clear on its face and by its terms does not allow SSD to stall compliance with Judge Laporte's Orders. The pertinent section that SSD relies on for its unjustified decision not to comply with the Court's Orders states,

"The deadlines for fact discovery and fact discovery motions have passed and are not impacted by the within stipulation. All remaining discovery shall be stayed as set forth herin. Plaintiffs will take no further legal action in their proceedings against SSD, and Thelen, Reid pending in the United States District Court, Northern District of California, and Univar pending in the Western District of Washington, during the stay period. However, this agreement is without prejudice to the parties' right to seek further relief on these matters or others by ex parte motion after the termination of this agreement at the conclusion of the stay period." (Joint Stipulation for Litigation Stay at 3:6-13).

Thus, while Angeles has agreed not to take any further legal action against SSD during the stay, the Joint Stipulation does not contain any language that would support SSD's intentional noncompliance with Judge Laporte's outstanding orders, or refusal to respond to Angeles' August 1, 2007 meet and confer. It only precludes Angeles from filing any new motions against SSD during the forty-five day period.

Re: SSD's Noncompliance with Judge Laporte's Outstanding Orders August 10, 2007
Page 2 of 2

Second, the Stipulation Clarifying All Hearing Dates signed by the parties lists all of the motions contemplated by the parties. Nowhere in that stipulation does it say that SSD does not have to comply with Judge Laporte's outstanding orders or that SSD can delay its responses to Angeles' meet and confer until after the forty-five day period. Therefore, contrary to the opinions asserted in your August 9, 2007 letter and in your notice filed with Judge Laporte, SSD <u>is required</u> to supplement its production and comply with the Northern District Court's Orders, including those discussed in SSD's July 26, 2007 letter and as requested in Angeles's August 1, 2007 letter.

SSD was required to produce to McKesson nonprivileged documents listed in Judge Laporte's August 2, 2007 Order within seven (7) days of the Court's order. SSD also was required to create a separate index of the McKesson documents within fourteen (14) days of the August 2, 2007 Order. Thus, if SSD does not comply with Judge Laporte's Orders and does not properly respond to Angeles' August 1, 2007 letter, Angeles will seek sanctions and request that the Court hold SSD in contempt immediately after the stay has ended. To ensure that Judge Laporte has the whole story regarding the effect of the Stay agreed to by the parties, Angeles will be filing a brief response to SSD's Notice of Entry of Stay.

Very truly yours,

Caufield James, LLP

Jeffery L. Caufield, Esq.

Bryce Besser

From: Amber Hinojosa

Sent: Friday, August 10, 2007 2:57 PM

To: digibson@ssd.com

Cc: John Golembesky; Jeff Caufield; Ken James; Bryce Besser

Subject: Angeles v McKesson



Scan070810135 736.pdf (83 KB)

Counsel,

Please see attached correspondence. This was also faxed to you earlier this morning. Thank you.

Amber Hinojosa Caufield & James, LLP 2851 Camino Del Rio South Suite 250 San Diego, CA 92108 619.325.0441; 619.325.0231